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ABSTRACT

Although off-reservation economic development programs have been emphasized in the past, the Navajo Tribe also needs to emphasize on-reservation economic development in order to prevent the loss of well-educated Indian youth who leave frustrating on-reservation Bureau of Indian Affairs (BIA) jobs to aid outside enterprises in the mining of natural resources. A Navajo Business Development Organization, organized by the Council of Energy Resource Tribes with the Navajo Tribe but separate from the Tribe and the BIA, could aid on-reservation economic development. The organization, in which Navajo businesses could buy stock, could in time generate the needed capital to lease, mine, and refine the Tribe's natural resources. The organization could use its income to establish a free enterprise system on the reservation and to provide on-the-job training to tribal members. In addition, the Tribal Council must: clarify the concept of ownership of tribal monies, lands, water rights, and natural resources; use Navajo graduates well; reorganize tribal and BIA natural resources administration; foster tribal closeness; begin a program of using tribal monies to mine and refine natural resources; and attempt to secure Congressional representation. (SB)

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THE MISSING LINK IN NAVAJO INDIAN ECONOMIC DEVELOPMENT

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Shiprock, New Mexico
April 24, 1980

In the 1960's and early 1970's, Indian Economic Development and Indian Self Determination were the topics of the day. Even the Bureau of Indian Affairs (BIA) and Indian Health Service (IHS) were motivated and impressed to begin contracting out school facilities and instruction services, engineering and construction projects, social and human services, health services, etc., to Indian Tribes and their organizations, as well as to private Indian contractors. Parrelling this advancement were the rapid growth of American Indian Studies and specific Native development programs at colleges and universities. Such programs were designed to train Natives Americans in education, business, social science, agriculture, medical and health services, mathematic and science, and various other fields. Federal funds were made available, applied for, and gotten by various colleges and universities to implement their educational goals. The major rationale for such programs was and is still to train Indians and to aid them with off reservation social and economic tools to develop their reservation natural and human resources. Such a catalyst would speed up the growth of that golden dream: Indian Self Determination.

After a decade of operating such programs on and off reservation, the economic unequity problem continue to remain. Universities and colleges have been able to built additional facilities, and staff members with Federal monies, but even this might not be assets. Indianess was once a good fruitful branch through, which Federal funds could be obtained. Today, it is a different story, the competition for Federal funds is very tough and keen. Higher

educational institutons, Indian Tribes, Tribal groups and organizations, who have such programs today are finding it very difficult to maintain and to justify their very existence in the midst of wide Federal cutbacks and strenuous paper work and evaluations.

The Navajo situation, to which I want to refer, is no different than many southwestern Tribal reservations. I note a reduction in the use of the terms; Economic development, Indian Self Determination, Indian self sufficiency, Navajo economic opportunity, Tribal takes over, and various other phases that were widely used before. The Navajo working class and their political leaders are now looking for survival. The fever to get quickly the golden dream of self sufficiency through Federal funds has blown off the reservation with the winds. Those colleges and universities who have working cooperative programs with the Navajo Tribes are under the same fire and heat.

The survival of Federal, state, and Navajo Tribal programs, that are to deal with economic development, in the 1980's, hinges on revaluation, modification and upgrading basic programs. To accomplish this task, the two most important social, economic, and politic fronts. (1) the off and, (2) on reservation status must be recognized and included in the planning process. To deal with only one Front cannot bring about the required semi-economic development. For so long we been concentrating on only one Front, that of the off reservation activity.

The two Fronts, the off and on reservation status quo, have a whole series of interconnecting, interdependent, and interrelated social, economic, human, and natural resources elements. These elements include: (1) the student, him or her, (2) the social, economic and political climate and instruction given at the college or university, (3) the social, economic, political and climatic conditions of the off and on Navajo reservation, (4) the ever present but unclear

man's material welfare concepts and future destiny of the Navajo reservation, (5) the post industrial era, and (6) the complete absence of an economic design to make the on reservation Front work. In this paper I want to concentrate only on the reservation Front.

For the sake of our discussion lets us focus on what can happen to a Navajo college graduate after he has finished his apprenticeship on the off reservation Front and start to work in the reservation Front. Lets talk about Johnny Joe Jack, a successful fictitious college graduate, twenty-two years of age, who obtained an engineering degree and willing to help his people. The college that he graduated from had given him the list of openings for Native Americans and has given him some insight into the virtues of the free enterprise system, has taught him the value of hard work and competition, and has helped him to see the Technology and knowledge that could help the Tribe become somewhat self sustaining.

Johnny first of all checked to see what BIA or Tribe or IHS jobs were available near his home town before accepting his first job. He noticed that Tribal jobs were lower in salary and that most of them were located in the Tribal's capital city. The IHS jobs were also located in the main center. Of course, there are no jobs except for the BIA near his home town. He, in the final analysis, only had one choice, that of working for the BIA. Mr. Jack was pleased with the BIA for they paid well, gave him a house for which he paid a low rent, and had good insurance and retirement plan. His house was roomy, had a stove, running water and refrigration. His father, mother, brothers, sisters and other related clan members also liked his job. In fact, they like it so well that they came at all hours either at night or day to visit, to eat his food, watch his T.V., use his telephone, and sleep in his bed. They even wanted him to share his car to go to town, hospital and other events, gave them loans without interest and bailing them out of jail or trouble. In fact, his house became the center of

activity of all his family and clan relatives. His folks even tried to arranged a marriage for him.

On the job, on his first day, he was told that he should not talk back to Navajos even if he was right. It was the policy of a BIA employee not to talk back. To get acquainted with his work, he was asked by his supervisor to go out and work during the week with the range scientist, soil scientist, soil conservation, and animal scientist and on Saturday or Sunday visit some, one at a time, 40 chapters. After he got acquainted with his area and some of the problems, he was asked to review his budget. He noticed that he had enough money in his budget to hire two engineering aides. He quickly hired two Navajos as his aides. He first challenge, as an engineer, came when he was asked to make surveys of chaco earth dams for livestock pounds within the agency. He then with his aide did all the surveys. These surveys; however, took him and his aides all summer long because it took two hours to get to most sites and two hours to go home so that his working times was only four hours per day. The dams were put in by an outside contractor, without Johnny's input as soon as most of the surveys were completed.

His next project was to design a low pressure irrigation for a farmer who had a farm at the bottom of a bluff. In order to get the needed water Johnny had to excavate a large cave into the side of the bluff near the top where the sandstone ran in a hortizonal layer. After a 30 foot tunnel was made, a small drainage canal was constructed to collect the water as it filtered out to the entrance and into a tank. The water was then piped down to the bottom of the high hill where the water was filtered before being use in drip irrigation in the field. It was a very good job and the farmer was very pleased. Word soon got around and people came from far and near to see the system. One Navajo, livestockmen, who lived on top; however, sued the farmer in Tribal court.

In court, the stockmen claimed the steep bluff as his customary livestock area and that water was taken from his grazing area without his consent and approval. The farmer tried to make his plea based on the fact that the livestock owner never used the water or grazed that area before. He also pointed out that the project was approved by the chapter. The other man claim that while it was approved at the chapter meeting, he was not present at that meeting and besides the vote was 5 to 0. The small vote for the project passed only because there were only five people present. The speaker further stated that the farmer's clan had control of the chapter leadership and this was not in his favor. After much debate, consulting with the BIA and Tribal officials, the judge ruled in favor of the stockman. The farmer had to undo his project, what a disappointment to Mr. Jack!

His supervisor liked Johnny and decided that he should have a greater role in administration and planning. He told Mr. Jack to supervise and design a large irrigation projects for there was money available for this purpose. Johnny and his crew worked hard on this, telling the people about the design and getting them all excited about the project. Everything was okay, the project looked like it was going to go. However; one day, word came from Window Rock that Navajo Agricultural Project Industry (NAPI) was low on operating capital and that the Tribe had requested the BIA to bail out this large irrigation project. The area BIA Natural Resource Manager had to take all of Johnny's budget to cover a portion of the NAPI cost. What a blow! Johnny was told that next year would be different; but, what the new year did bring was a cut in BIA funding, in Washington, so his plans didn't get off the shelf. To top it off, part of his project was now included in the new Hopi reservation boundary so it became off limits to him. Of course, Johnny could always point to his successful chaco dam building and one in particular - one with an elevated drain flume above the dam through which the water would drain through the center of the dam to control flood and erosion. However; a non-understanding

Navajo decided, one rainy day, that it would be better to plug the flume and impound water in the dam. A heavy rain came and away went the control dam. His two helpers became dismayed and began to drink and so he had to play nurse maid to keep them on the job. No educational course in college had prepared him for this problem.

To hide his discouragement, Johnny Joe worked hard around his yard planting trees, shrubs and grew a lawn. His accomplishment here was spoiled by horses and cattle that got into the BIA compound. They ate his grasses and the cattle broke some of his trees by rubbing against them. The dogs had a field day around his house at night, using his lawn as a toilet and urinating on his shrubs and trees. The spring winds brought in lots of sand into his yard and inside his house. Lots of tumble weeks grew around and this piled up against his wall in the fall and spring. Some of his equipment, sprinklers, shovel, rake, hose and plants were stolen. After a while Johnny decided it was not worth it since he can't own the house anyway so, why bother?

Johnny was also interested in making a contribution to this home community. He started attending all chapter meetings. His folks and relatives encouraged him to run for Councilman. He; however, found that he couldn't hold that office until he was over 30 years old. He decided to run for a position in the chapter instead. After much compaigning, he was elected as Chapter Secretary. Johnny had high hopes to contribute to his home area. He observed that each year the Navajos had to buy hay off reservation at high prices. He talked to the University Extension Specialist about forming a cooperative in the Chapter. Such a vehicle would help the chapter members to work together to grow their own hay and market their products on the reservation. Johnny also noticed an unusual large land nearby that could be utilized by the chapter to grow hay. The Extension Agent and staff members helped Johnny set up a cooperative. The

chapter was able to obtain a grant from the Tribe to buy machinery and equipment, seeds, fertilizers, and other needed tools. The farmers were all excited about the project. During the growing season, the individual farmers were permitted to use the machinery and equipment on a charge basis. The idea was to paid for the usage at the end of the season when the crops were marketed. The crops were produced and the hay were all marketed to the surrounding chapters. A major problem arose when some of the chapter's checks were bad and some chapters decided not to pay. Furthermore, many of the farmers would not pay for their machinery and equipment usages, nor charges for their seeds, and fertilizers, and hired labor. When Johnny made his report on the operation, he was accused of causing this financial bind upon the chapter. He tried to explain but it was of no avail. The chapter was able to slowly recover from the lost; but, Johnny decided he had enough.

By this time, Johnny had decided that living in the BIA house, on the reservation, over the weekend was not as exciting as living in a motel in the border town. In fact, he began to go to town every weekend to get away from his folks and relatives who were eating him out of his house.

While he was in town one day, he ran into some college graduates that he knew. They were working on plans to incorporate a small business and approach the Tribe to lease them a semi-depleted coal mine nearby. Their goals were to start small and grow into a large mining firm. They have been looking for a engineer and he was it. Not long after that, the group was able to obtain everything except the lease area. The Indian firm approached the Advisory Committee of the Navajo Tribe for first round approval. While there, the question arose as to why the group didn't get chapter approval first. After much discussion, it was decided that the group should first obtain approval from the chapter before going on further.

At the chapter meeting the small businessmen presented their plans to the residents. Many of the residents were favorable towards the group; but, the

majority felt that the young group had no experience, no prepared environmental statement and would not pay the Tribe much royalities. The union representatives have already been there telling the people that Navajo union members would not get proper training and apprenticeship or get union wage scale. A border town newspaper wrote an editorial saying that the Navajo group had great aspiration but now is not the time for them to get involve. The paper claimed that large firm could do the job better in every phase of the operation than the small in-experience under capitalized group. It was also discovered that many persons, in the area, were already wheeling and dealing with the larger mining firm. Even if the Tribe and BIA approved the lease, the small corporation might not get the capital to mine the lease since resources on the reservation could not be used as collateral to borrow operating money. Furthermore; Johnny's boss told him that it was aginst BIA policy for him to be in business, for himself while working for the BIA.

A higher grade Government Service (GS) job in administration, dealing with natural resources, was advertized by the BIA in a neighboring agency. The job required a person with good management skills. Other applicants applied for the position; but, Johnny had Indian preference as an edge. He was invited for an interview with the Navajo superintendent, who was in charge of that agency. The superintendent told him he would be selected, even though there was objection by one anglo supervisor in particular. This supervisor had known him as a young engineer aide before and his remark was that: "He was young and had no management experience for this job". While being interviewed, Johnny found out that, last year, some $200,000 was taken from the Natural Resource Department, for the Navajo Indian Irrigation Project. He realized that this could be a repeat of his previous experience.

While he was deciding about the BIA position, he saw a position advertized

with Navajo Forest Product Industry (FPI), a Tribal enterprise. He quickly turned the BIA job down and applied for the NFPI General Manager position. He found out that one board member, a Navajo, liked him and encouraged him not to withdraw if the competition became tough. It became tough, all right, for he was soon in deadlock with a handpicked executive, who had once worked as General Manager and financer, for the President of the Board. The President of the Board, an anglo, who was a self made man and the Navajo Board member, a councilman, both presented their cases before the rest of the Board members. While the rest of the anglos and Navajo Board favored the anglo for his experience and business dealing, the one very influential Navajo councilman held out for Johnny. This man was told repeatly that Johnny was young and had no experience. In the end, both he and the anglo were selected because of the deadlock. Johnny was selected on the basis of his education and Indianess. He was told that he would be an understudy to the anglo executive, who would train him as a future general manager.

After one year, the board members decided to make the anglo the general manager and Johnny his assistant. Johnny was given the assignment to make engineering recommendations in regards to forestry roads and their maintenance as well as forest cutting operations. Johnny got involved in his work and became so busy that soon a lawyer for the enterprise was brought in to replace him as second in command because the executive needed a lawyer to draw contracts and have someone take over the day to day management decisions.

The young Navajo begun to see grazing problems in the forest. The goats and sheep were grazing young forest seedlings thus causing serious damage to future forest production. He also began to notice that in certain areas the pines were dying out. He made a report concerning these observations and made recommendations to the general manager and the Board. He was told that his recommendation would be forwarded to the BIA, which was in charge of reforesting and to the Navajo Tribe,

which was in charge of range and livestock management. Nothing was ever said about his report after that.

He soon became involved in a labor dispute over the management operation. He was elected to write up proposed new changes and recommendations in behalf of fellow employees. He was branded as a trouble maker by the Administration by this time and his influence went by the wayside even though he had the full support on one Board member. Other administrators were hired; but, he was passed over time and time again until he once again began to look elsewhere for work. Johnny realized that there was little difference between working for the BIA and for the Navajo Tribe. Both systems were difficult to work for and within, using the university knowledge and tools he had taken the time to learn.

One day, while in Window Rock, Johnny met another college graduate who was working for a major firm who was mining coal on the reservation. He was told that the mine company was recruiting Navajos. He quickly filled out an application and was soon called for an interview. He was told that he was qualified to take the mining reclamation program. He resigned from the enterprise and took the job with the mining firm. He had to move to an off reservation town further away from his folks, but the advantages of lower consumer prices, buying and owning a house, working in his field, good salary, an opportunity to once again enjoy the modern conveniences, and getting away from relatives and clan members were worth the effort. Johnny also got the opportunity to take some college classes to upgrade his skills and had the opportunity to buy stock in the company. Now this fine engineer found a niche in life. He has since joined the firm, worked as Public Relations Officer, Administrative Officer and soon will join the company as an executive in one of the lawyer firm's operation. He is also always sought as a consultant in mining and revegetation of mines. In fact, he is thinking of setting up a consultant firm in the future. The future looks bright as the young Navajo

thinks about getting married.

This is an example of what happens to many Navajo graduates. Instead of helping promote economic development on the reservation many such educated human resources are helping outside enterprises mine natural resources. It reduces the under employment on the reservation although no economic development occurs, but more important is the brain drain away from the reservation.

The old formula, that of developing economic stability through the BIA or Tribe by using Federal funds on the Navajo reservation is not enough. The provision of providing Social Services must be separated from economic development. I notice that Senator Pressler of South Dakota is introducing a new bill in Congress to permit additional Federal funding for economic development. This approach should not be looked upon as a cure all for all reservation economic ills.

The Missing Link for Economic Development is a Navajo Business Development Organization that is separated from either the Navajo Tribe or Bureau of Indian Affairs. Such an entity would be one in which Navajo Business can buy stock and invest. This entity should in time be able to generate the needed capital to lease, mine, and refine natural resources and use the income to generate a free enterprise system on the reservation. This business venture should be tied in with Navajo Community College (NCC), and other educational institutions as shown in Figure I. This organization shows the relationships between the Tribe, colleges and universities, NCC, and other organizations.

(1) Note the one way arrows to the Industrial Firms, showing a definite control by outside interest.

(2) One way arrows should eventually go to the Navajo Business Unit to show reservation economic development.

This Navajo corporation should be able to provide the On-the-Job-Training necessary to gain the experience needed to supplement vocational and higher educational

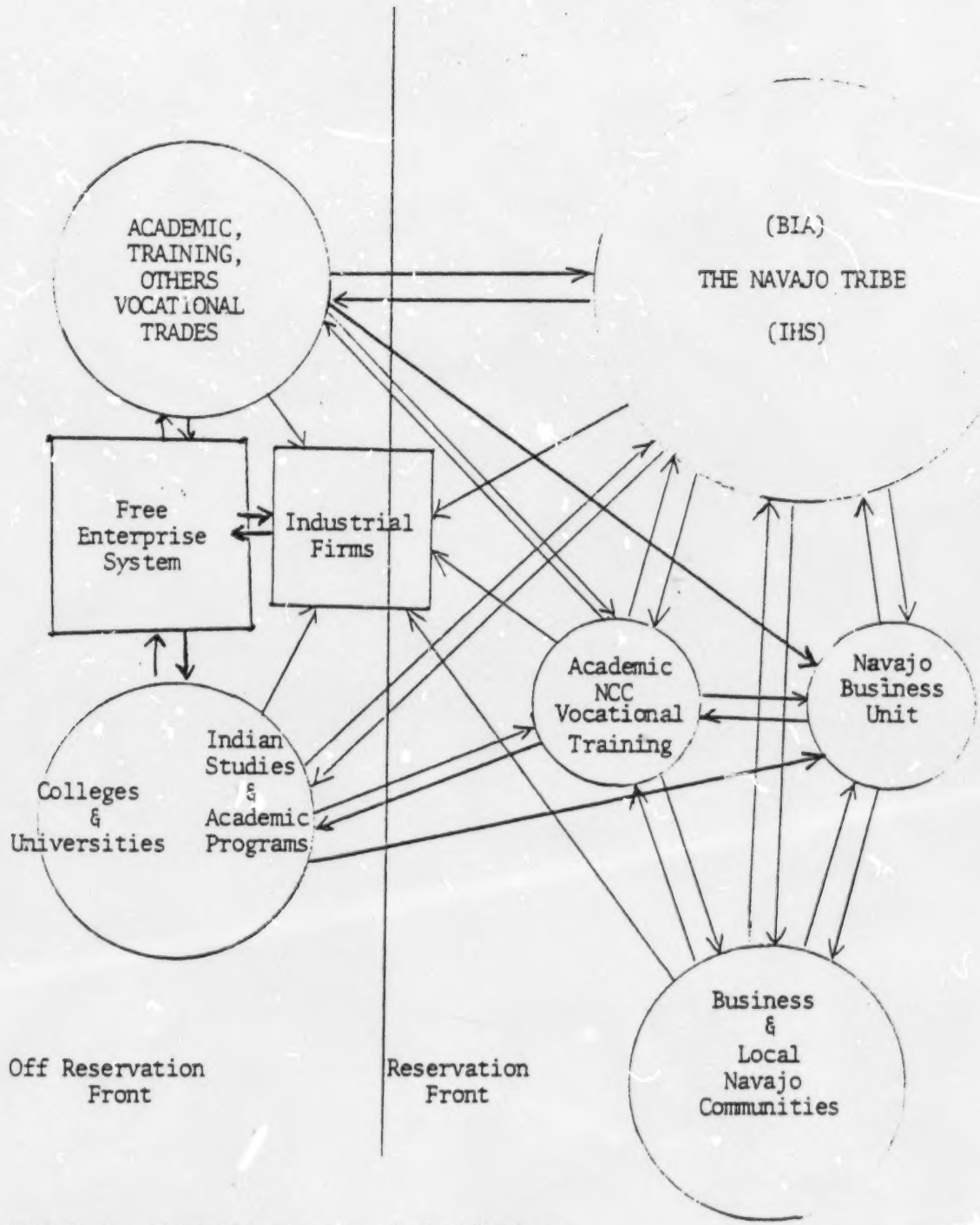

FIGURE 1. Schmatic diagram of the Missing Linkage in Navajo Economic Development in relationship to the Tribe, BIA and off reservation and on reservation training.

training. This new model could be set up by the Council of Energy Resource Tribes (CERT) in behalf of the Navajo Nation or both CERT and Navajo Tribe could work together to form it.

Furthermore; to just establish another organization is not going to solve anything; in fact it will just add to the present problem. The Tribal Council, if they really represent and serve their constituents, must promote an environmental change on the home front. The changes that are needed include:

1. Clarifying the unclear concept of ownership in relation to:
   a. Tribal monies, are all Navajo really owner of this equally in common or does it belong only to the Tribal Council?
   b. Land, are Navajo owners in common also? Will it ever have an opportunity to get out of Trust status? Is the development of customary land use area in the best interest of the people?
   c. What is the future of water rights on the reservation?
   d. Oil, fuel and minerals, can Navajos ever lease land and mine depletable in resources their own backyard?
2. The number of Tribal division in natural resources each with its own director and staff mixed with BIA division handling various portion of the Navajo division. There appears to be too many chiefs and not enough Indians.
3. If the Tribal Council and Administration are not interested in having Navajo graduates then they should cut out the Navajo Tribal scholarship. Why make a big fuss about education and then not do anything about the reservation front?
4. The Council and Administration should quit following the BIA red tape and policy. It's difficult to separate where the BIA quit and where the Tribe starts.
5. Revitalize early Navajo concepts and ideals to draw the Navajo people closer together for common goals in the future. Such teaching can help the Navajos over come and contend with concepts of the tradition-common economic system and living in the post industrial era.
6. A re-evaluation of the agency, district, and chapter boundary and their present and future purposes must be made in relation to short and long run plans.

7. Began a program to mine and refine the coal, oil, and other depletable resources using Tribal monies instead of getting minimum royalities.

8. Begin to phase either into a common wealth, possession, or a territory so Navajos can get some representatives in Congress. Such an organization will never be popular with the BIA or Congress but Navajos can't go living as they are forever.

The changes that are required on the home front will not change overnight but it is time that the Navajo Tribe begins to do something.

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